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MULTILATERAL INVESTMENT FUND

BRAZIL

**PROGRAM TO PROMOTE COMMERCIAL OPPORTUNITIES
AMONG RURAL SMALL PRODUCERS**

(TC-02-01-02-6)

DONORS MEMORANDUM

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EMBRAPA integrated applied environmental impact assessment system for the activities of the new rural establishments (APOIA-Novo Rural)

ABBREVIATIONS

APEX	Agência de Promoção de Exportações [Exports Promotion Agency]
CIRAD	Centre de Coopération Internationale en Recherche Agronomique pour le Développement [International Cooperation Center on Agrarian Research for Development]
CONTAG	Confederação Nacional dos Trabalhadores na Agricultura [National Confederation of Rural Agricultural Workers]
DIAFAB	Delegação Italiana da Agricultura Familiar Brasileira [Italian Delegation of Brazilian Family Agriculture]
EMBRAPA	Empresa Brasileira de Pesquisa Agropecuária [Brazilian Agricultural Research Corporation]
ICS	Internal control systems
LSF	Lyndolpho Silva Foundation
MIF	Multilateral Investment Fund
NGO	Nongovernmental organization
SEBRAe	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Brazilian Microenterprise and Small Business Support Office]

PROGRAM TO PROMOTE COMMERCIAL OPPORTUNITIES AMONG RURAL SMALL PRODUCERS

I. EXECUTIVE SUMMARY

Executing and beneficiary agency:	Lyndolpho Silva Foundation (LSF)	
Beneficiaries:	The project will directly benefit 4,800 farmers and their families, or a total of 19,200 people in the participating productive units. The indirect beneficiaries will be the communities in the localities involved in the project, and producers in other regions who could benefit from the information generated by this experience.	
Financing:	MIF (Facility III-A):	US\$1,125,000
	Local:	US\$1,875,000
	Total:	US\$3,000,000
	Modality:	Nonreimbursable
Objectives:	The general project objective is to improve the competitive advantage of agricultural microenterprises and small businesses, taking a regional and rural development approach. The purpose is to increase socially-responsible market opportunities for agricultural microenterprises and small businesses, by providing technical support to improve production quality and market access.	
Execution timetable:	Execution period:	36 months
	Disbursement period:	42 months
Special contractual clauses:	As a condition precedent to the first disbursement of the contribution, the LSF must select a general program coordinator (paragraph 9.1).	
	As a special condition for execution: the LSF will present the final design for the project evaluation and monitoring system within six months following the first disbursement (paragraph 9.1).	
Exceptions to Bank policy:	None.	
Environmental and social review:	The Committee on Environment and Social Impact (CESI) reviewed the project at its meeting on 15 November 2002 and made the following recommendations: (i) include the sociocultural characteristics of the project beneficiaries (paragraph 6.1); (ii) include environmental and sociocultural criteria in the Operating Regulations (paragraph 6.2); (iii) make clear that the project will support environmental quality certification and will not support activities that	

are not suitable for the land use capacity (paragraph 3.12); and (iv) analyze the executing agency's ability to address environmental and social considerations, building such capacity if necessary (paragraph 6.2).

**Coordination
with other
development
institutions:**

The project is the result of coordination with institutions working in this sector in Brazil (paragraph 2.10).

II. BACKGROUND

A. Family agriculture: relevance and priorities

- 2.1 A 1999 joint study by the Food and Agriculture Organization (FAO) of the United Nations and the National Institute for Colonization and Agrarian Reform (INCRA) found that Brazil has some 4 million rural family establishments. This segment accounts for 38% of the gross value of agricultural production and employs 77% of rural workers. The diversity of products and production methods of Brazilian family agriculture gives it an important competitive advantage for entry into domestic and international markets. This will set it apart as it works to conquer promising markets such as organic foods and natural and traditional products.
- 2.2 The new administration has prioritized promoting greater market inclusion for family farmers by building entrepreneurship capacities in rural areas. The new policies attempt to energize rural economies in supramunicipal territories and promote more effective coordination among institutions operating in the rural sector.

B. Organic production and fair trade

- 2.3 Brazilian organic farming production grew 10% a year in the 1990s, with peak growths of 20% in 1998 and close to 50% in 2000. From these indicators, it can be inferred that organic farming has a promising future, both for exportation and local consumption. At present, 85% of Brazilian organic production is exported, principally to Europe, the United States, and Japan, and 15% is for domestic consumption. Domestic market demand is on the rise, jumping from US\$150 million in 1999 to almost US\$200 million in 2000. A study carried out in Curitiba shows that demand for organic food exceeds supply by 35%.
- 2.4 Fair trade is an innovative concept intended to connect low-income producers and consumers in major markets in a fair and sustainable manner. Fair trade has grown in recent years, and the variety of products is expanding constantly with the addition of a number of coffee blends and many types of tea, honey, sugar, cocoa,

nuts, fruit, and handicrafts. Today, many European countries, Canada, the United States, and Japan all have fair trade organizations.

C. Trading family farming products

- 2.5 The Lyndolpho Silva Foundation (LSF), created with the support of the Brazilian Agricultural Research Corporation (EMBRAPA) and the National Confederation of Rural Agricultural Workers (CONTAG) for the sustainable development of family farming, analyzed the supply of products from rural small and medium-sized enterprises (SMEs). The study found there were numerous products with high commercial potential, ranging from fruits and vegetables to medicinal herbs, coffee, honey, wicker, and wood handicrafts, etc. There are some success stories—such as the Brazilian Microenterprise and Small Business Support Office's (SEBRAE) Sustainable Rural Life Project—among the regional development experiences focusing on local business capacity and based on family farmers seeking new markets, especially export markets. Conclusion of the SEBRAE project will provide information by the end of 2003 on the outcome in terms of: (i) producer income; (ii) job opportunities; and (iii) rural ecological conditions, among other key parameters.
- 2.6 With support from the Exports Promotion Agency (APEX), the Foundation carried out market research missions to countries such as Germany, Holland, France, Spain, and Italy, to gauge their level of interest in organic, natural products produced under solidary market conditions; it also participated in the main organic products fairs in Europe. In order to promote Brazilian family farming and facilitate access to the European market, the Foundation supported creation of the Italian Delegation of Brazilian Family Agriculture (DIAFAB), which helps organize visits to Brazil by European buyers and attendance at fairs and other events organized by producer associations, to promote and conclude deals with Europe.

D. Difficulties confronting family producers

- 2.7 Despite the potential of Brazilian agriculture, small producers are faced with a number of difficulties including: (i) farmers' associations that are not strong enough for family farmers to gain sustainable entry into the market; (ii) lack of coordination with their peers, organizations, and community; (iii) lack of knowledge about market opportunities and requirements, characteristics relating to quality, certification, packaging, and marketing channels; and (iv) lack of accessible product certification alternatives.
- 2.8 In response to these difficulties, the LSF organized meetings in a number of states with local organizations, to launch an awareness campaign among producers about the market potential for their products. This is just a first step; targeted activities are needed for producers and the leaders of their organizations to incorporate these concepts into their activities. The certification process that is gradually being

adopted in the country is one of certification of organized groups of family farmers. This is an intermediate type of certification between participatory certification, which is not widely recognized internationally, and certification by inspection, which is often too costly for small producers. Under this model, an internal control system (ICS) is created to keep records and carry out inspections, which are subsequently audited and inspected by the certifying agency through a sampling process. The system is not as expensive as individual certification (paragraph 4.3), affording producers greater access to certification, while generating confidence and shared responsibility among producers.

E. Program strategy

- 2.9 The program proposes six pilot experiences in rural areas selected on the basis of the following criteria: (i) producers' level of organization; (ii) potentially exportable family farming products; (iii) high level of awareness of the advantages of organic farming; and (iv) the importance of family agriculture to the local economy. The selected regions are in: Rio Grande do Sul (Federico Westphalen Municipality); Santa Catarina (Mafra Municipality); Mato Grosso do Sul (Dourados Municipality); Piauí (Simplicio Mendes Municipality); Paraná (Pro-Caxias region); and Pernambuco and Piauí (Afranio and Paulistana Municipalities).

State/Municipality	Products	Products with organic potential
Rio Grande do Sul/ Federico Westphalen	Soybeans, beans, peanuts, sugar, bees, agroecological tourism, canned food	Soybeans and brown sugar
Santa Catarina/ Mafra	Honey, range chickens, rabbits, candies, canned food, fruits, and vegetables	Fruits and vegetables
Mato Grosso do Sul/ Dourados	Milk, range chickens, eggs, honey, and maté	Honey
Paraná Pro-Caxias	Soybeans, millet, banana, brown sugar, cachaça, vegetables, and passion fruit	Cachaça
Piauí Simplicio Mendes	Honey, goats	Native flower honey
Pernambuco/Afranio Piauí/Paulistana	Fruits and vegetables	Fruits and vegetables

Source: Lyndolpho Silva Foundation.

- 2.10 The approach and intent of this project is consistent with the Bank's strategy with Brazil to support efforts to improve competitiveness and market access for Brazilian products. Several institutions support the scheme: APEX will contribute its experience helping companies to enter the export market; SEBRAE is interested in developing new strategies to involve companies in rural land development; and the Brazilian Agricultural Research Corporation (EMBRAPA) and the Centre de Coopération Internationale en Recherche Agronomique pour le Développement

[International Cooperation Center on Agrarian Research for Development] (CIRAD) work with farmers in different regions of the country. The Multilateral Investment Fund (MIF) brings a significant value added by focusing its support on certification processes for gaining market access. The project is innovative for the MIF, because it seeks to improve market access for producers in environmentally- and socially-responsible sectors and will have a demonstration effect for producers throughout the country and abroad.

III. PROJECT OBJECTIVES AND BASIC COMPONENTS

A. Project objective and purpose

- 3.1 The general objective of the project is to improve the competitive advantage of agricultural microenterprises and small businesses, taking a regional and rural development approach. The purpose of the project is to increase socially-responsible market opportunities for agricultural microenterprises and small businesses, by providing technical support to improve the quality of production and market access.

B. Components

1. Component 1: Awareness-raising and mobilization to cultivate favorable environments (MIF: US\$48,560; Local: US\$148,400)

- 3.2 This component is intended to inform micro and small producers about domestic and international trade opportunities and improve the environment for their participation. This will be achieved through the following activities: (i) organizing awareness-raising and mobilization seminars; (ii) systematizing the methodology and resulting experience; (iii) promoting new trading opportunities for rural small producers; and (iv) training local technicians and leaders to better coordinate with other entities.

2. Component 2: Community management of local know-how (MIF: US\$0; Local: US\$98,320)

- 3.3 This component seeks to systematize existing knowledge within the communities to achieve integrated and sustainable development of the regions. This will require developing new businesses with high value added using local resources and identities. The component's strategy is based on identifying and promoting products that rely on the expertise of local communities and have potential in special market niches nationally or internationally.
- 3.4 The activities under this component include: (i) collecting data from the communities to develop six "knowledge banks" on organic production, export processes, value added, and value of local community resources in the program

regions, which will help establish the baseline for the program; and (ii) training technicians and leaders who could provide guidance to the communities.

3. Component 3: Improvement of access to market data (MIF: US\$211,820; Local: US\$421,480)

- 3.5 The objective of this component is to improve access to market data for rural small producers. The following activities will be carried out: (i) developing and implementing an information system; (ii) analyzing information on small producers' supply and market demand; (iii) arranging business trips for buyers; and (iv) program participation at international and national trade fairs and missions by European buyers to Brazil, funded with counterpart resources, to familiarize them with the country's products and production processes.

4. Component 4: Training and technical assistance for producers (MIF: US\$587,800; Local: US\$836,600)

- 3.6 The objective here is to train local technicians and provide technical assistance to small farmers on organic and management practices, to improve the quality of production while ensuring it is socially and environmentally responsible, until organic certification is achieved. The strategy is to help create and implement internal control systems (ICS) linked to local farmer organizations and promote training programs on national and international standards for organic production, processes, and products. A total of 4,800 producers are expected to implement an ICS. Certification agencies will be hired to help small producers who want to be certified organic. They will work with farmers from the time they enroll, help them schedule the first inspection, start the conversion to organic production, and support them until they earn the organic seal. Prior to training and certification, it is necessary to ascertain that the land use capacity of participating farms is appropriate for the activities considered under the program. Local coordinators will be hired in each of the six regions to organize and monitor the producers and project activities.

5. Component 5: Promotion and dissemination of results (MIF: US\$42,000; Local: US\$181,800)

- 3.7 This component aims to promote the concepts of organic production and fair trade and disseminate project outcomes through the following activities: (i) producing promotional materials; (ii) providing training on information exchange methodologies and tools; (iii) organizing knowledge-sharing events; and (iv) disseminating Brazil's ethical trading practices and holding workshops to share best practices and publicize implementation of integrated sustainable development processes.

IV. COST AND FINANCING

A. Cost

- 4.1 The program will cost approximately US\$3 million, broken down as follows: (i) the Bank will finance US\$1,125,000 with nonreimbursable MIF resources (Small Enterprise Development Facility – Facility III-A); and (ii) US\$1,875,000 in counterpart resources, which will be the responsibility of the LSF and at least half of which will be in cash. The local counterpart contribution will be made by LSF, APEX, SEBRAE, EMBRAPA, and CIRAD. The table below describes the principal cost and program funding line items. The detailed budget may be consulted in the technical program files.

Budget (in US\$)

Components	MIF	Local	Total	%
1. Awareness-raising and mobilization	48,560	148,400	196,960	6.6%
2. Community management of local know-how	0	98,320	98,320	3.3%
3. Improvement of access to market data	211,820	421,480	633,300	21.1%
4. Training and technical assistance for producers	587,800	836,600	1,424,400	47.5%
5. Promotion and dissemination of results	42,000	181,800	223,800	7.5%
6. Project management and monitoring	117,200	98,400	215,600	7.2%
7. Evaluations (including environmental and social considerations)	50,000	90,000	140,000	4.7%
8. Financial audit	9,000	0	9,000	0.3%
9. Contingencies	58,620	0	58,620	2.0%
Total	1,125,000	1,875,000	3,000,000	100%
Percentage	37.5%	62.5%	100%	

B. Operating sustainability

- 4.2 Operating sustainability is assured by the stated priority of the entities making up the Lyndolpho Silva Foundation to continue supporting actions likely to improve market opportunities for family farmers. Furthermore, producers will pay their share of the technical assistance cost, a share that will increase over the three-year project life so as to ensure that certain activities continue once the project has ended. One of the program's main contributions will be the demonstration effect of the benefits rural small producers can reap by having direct ties to buyers and implementing the internal control system for organic certification. This will make other producers willing to pay for these services. The LSF will not recover enough funds to maintain the same level of services as under the program, but the money will help it to continue to serve as an advocate and integrate the efforts of other national institutions to provide family farmers with better opportunities. Serving family farmers is a priority for all the participating institutions; the project is therefore expected to provide valuable experience for continuing to channel efforts towards that sector. A 2003 Ministry of Agricultural Development cost comparison

for organic soybean certification found that the cost per producer, per year falls dramatically by opting for group (US\$35 per producer per year) rather than individual certification (US\$1,200 per producer per year). According to LSF estimates on family farmers' ability to pay, producers could afford group certification.

V. EXECUTING AGENCY AND IMPLEMENTATION MECHANISM

A. Executing agency

- 5.1 The program executing agency is the Lyndolpho Silva Foundation (LSF), a nonprofit civil entity established under private law in 1996 and headquartered in Brasilia. Its founding institutions were CONTAG and EMBRAPA. The Foundation's mission is to provide new opportunities to Brazilian family farmers, working towards integrating them into markets, by supporting production chains and appropriate technology transfer. The LSF is active throughout the country from its headquarters in Brasilia and five regional agencies in Río Grande do Sul and Santa Catarina (southern region), Minas Gerais (southeast), Río Grande do Norte (northeast), and Goiás (west central). It is supported by the Italian Delegation for Brazilian Family Agriculture (DIAFAB), with offices in Milan, Italy, serving as the focal point for negotiations with European entities and helping open markets to Brazilian family agriculture. DIAFAB joined other NGOs to create the *Consortio di Tutela del Prodotto Giusto, Etico e Solidale* [Consortium for the Control of Fair, Ethical, and Solidary Products], in pursuit of its objectives.

B. Execution mechanism

- 5.2 A general coordinator, a financial manager, and an administrative assistant will be hired to execute the program, working out of the LSF offices. The general coordinator will be responsible for: (i) managing the program in accordance with the action plan; (ii) controlling management and the budget; (iii) processing requests for disbursement of the Bank's contribution; (iv) submitting administrative and technical reports to the Bank; (v) supervising the local coordinators; and (vi) institutional relations. The coordinator will report to the Project Advisory Council. Selection of the coordinator will be a condition precedent to the first disbursement.
- 5.3 The Project Advisory Council, tasked with project coordination, will comprise representatives of the LSF, CONTAG, SEBRAE, EMBRAPA, CIRAD, and APEX. Its duties are to: (i) define project strategies and actions; (ii) approve annual work plans; (iii) monitor the outcome of project activities; (iv) actively participate in relevant project activities; and (v) coordinate with other relevant national and international entities. Local Advisory Committees will be established in each project region to ensure proper coordination of project activities with those of other

initiatives and efforts. These committees will be made up of representatives from the municipalities, EMBRAPA, universities, members of the Federation of Agricultural Workers (FETAG), and other NGOs. Technical centers will be established in each of the six regions, headed by local coordinators hired with program resources, who will receive technical support from local organizations and the local branches of national organizations.

- 5.4 The program execution period will be 36 months and the disbursement period, 42 months. The Bank will establish a revolving fund not to exceed 10% of the total approved amount. The LSF will procure goods and services and hire consulting services for project execution in accordance with applicable Bank and MIF policies and procedures.
- 5.5 **Program status.** The project is in the advanced stages of preparation: (i) project design, budget and activity details were prepared in coordination with participating entities and with technical assistance from experts and the Bank team; and (ii) all participating entities were consulted and have agreed to participate.

VI. MONITORING AND EVALUATION

A. Monitoring

- 6.1 The Country Office in Brazil will supervise and monitor the project, using reports prepared by the LSF to oversee progress and prepare the project completion report within three months following the last disbursement. The LSF will be assisted by EMBRAPA in implementing a system to monitor project outcomes. It will collect and analyze information needed to monitor the indicators as set forth in the logical framework (Annex I) or as amended by mutual agreement of the Bank and the LSF; the indicators will serve as the basis for preparing the semiannual progress reports and the midterm and final evaluations. All the indicators pertaining to producer participation will take their sociocultural characteristics into consideration. The LSF will present the final design for the project evaluation and monitoring system within six months following the first disbursement.
- 6.2 The LSF will receive support from the EMBRAPA environmental and social impact assessment center to adapt its integrated applied environmental impact assessment system to the activities of the new rural establishments (APOIA-Novo Rural), whose activities will be measured against five variables: landscape ecology, environmental quality, sociocultural values, economic values, and management and administration. This will provide a means for evaluating farm sustainability and adapting promotion and control measures to match local development plans (see annex in the technical files).

B. Evaluation

- 6.3 The Bank will use project funds to hire consultants to perform two evaluations: a midterm evaluation 18 months after the project is declared eligible for disbursements, or when 50% of the resources have been disbursed; and a final evaluation at the end of the execution period. The Bank will draft the terms of reference for these evaluations together with the LSF. The evaluations will be performed based on information generated by the project monitoring system. The consultants will use the logical framework as it appears in Annex I or amended by mutual agreement of the Bank and the LSF. The LSF will provide access to all necessary information and documentation for the evaluations.

VII. PROJECT BENEFITS AND RISKS

A. Project benefits and impact on development

- 7.1 The project benefits are related to increased income for the Brazilian agricultural microenterprises and small businesses participating in the project and its impact on communities. The project will also impact other regions, by helping to open up markets for Brazilian family agriculture products.

B. Beneficiaries

- 7.2 The project will directly benefit 4,800 farmers and their families, or a total of 19,200 people in the participating productive units. The communities in the regions involved in the project and producers in other regions will indirectly benefit from the possibilities generated by the information from this experience.

C. Risks

- 7.3 **Interagency coordination.** There is the risk of execution delays due to possible disagreement among the institutions supporting the project. This risk will be mitigated through creation of the Project Advisory Committee and the Local Advisory Committees, which will meet frequently to review project strategy and execution. The LSF has used this work plan in the past with positive results; it laid the foundation for local coordination and found that the local committees continued to operate after the LSF's involvement had ended. Moreover, in 2003, the LSF and all the participating institutions have held several coordination meetings nationwide to craft an integrated project shared by all the institutions.
- 7.4 **Financial sustainability.** Farmers may be unwilling to pay for services, thus jeopardizing future delivery of services. This risk is being mitigated through awareness-raising activities, activities promoting Brazilian agriculture in different markets, and direct contacts with buyers to promote sales of Brazilian agricultural products.

VIII. ENVIRONMENTAL AND SOCIAL IMPACT

- 8.1 The Committee on Environment and Social Impact (CESI) reviewed the project at its meeting on 15 November 2002 and made the following recommendations: (i) include the sociocultural characteristics of the project beneficiaries in the baseline of the monitoring and evaluation system (paragraph 6.1); (ii) include environmental and sociocultural criteria in the Operating Regulations (paragraph 6.2); (iii) make clear that the project will support environmental quality certification and will not support activities that are not suitable for the land use capacity (paragraph 3.12); and (iv) analyze the executing agency's ability to address environmental and social considerations and, if applicable, build such capacity for the sound administration in this area of project execution (paragraph 6.2).

PROGRAM TO PROMOTE COMMERCIAL OPPORTUNITIES AMONG RURAL SMALL PRODUCERS (TC-02-01-02-6)
LOGICAL FRAMEWORK

Narrative summary	Indicators	Means of verification	Assumptions
Goal The goal is to improve the competitive advantage of agricultural microenterprises and small businesses, taking a regional and rural development approach.	The net income of beneficiary family farmers increases by over 20%.	Municipal statistics and export market reports.	
Purpose The purpose is to increase socially-responsible market opportunities for agricultural microenterprises and small businesses, by providing technical support to improve production quality and market access.	At the end of the third year: there is a 20% increase in the value of sales in national and international markets for products from family farmers in the six territories.	Project monitoring reports and midterm and final evaluations. Sales contracts.	Participating institutions are interested in continuing the project strategy, replicating it in other regions.
Components I. Awareness-raising and mobilization to cultivate favorable environments	At the end of the first year: 4,800 producers and their families are committed (written expression of interest) and motivated to work on building the region, establishing networks and entering markets, by adopting more rational production systems.	Project monitoring reports.	Participating institutions continue to prioritize the project and remain willing to contribute counterpart resources. Family farmers remain interested in participating in project activities and contribute resources to pay for services.
II. Community management of local know-how	At the end of the first year: six “knowledge banks” with information on organic production, export processes, value added, and assessment of local resources are in place in the regions selected for program implementation.	Project monitoring reports.	
III. Improvement of access to market data	At the end of the third year: the information system on product supply from the regions and national and international market demand is operational.	Project monitoring reports.	

Narrative summary	Indicators	Means of verification	Assumptions
IV. Training and technical assistance for producers	At the end of the third year: 4,800 producers and 60 technicians are trained in management techniques and organic practices. Organic certification internal control systems (ICS) have been implemented in the six regions. 4,800 producers are converting to organic production or have already earned the organic certification seal.	Project monitoring reports.	
V. Promotion and dissemination of results	At the end of the third year: semiannual reports are published and disseminated among the participating public, within the region, nationally, and internationally.	Project monitoring reports.	
Activities I. Awareness-raising and mobilization to cultivate favorable environments 1.1 Seminars to kick off the project (6) 1.2 Organization and planning workshops (6) 1.3 Update and evaluation meetings and seminars (6+6) 1.4 Study to evaluate work methodology with a regional approach 1.5 Seminars presenting study findings (6) 1.6 Workshops to identify new businesses (6) 1.7 Workshops on coordination with other agencies (6) 1.8 Project support consulting services (6)	As described in project budget.		
II. Community management of local know-how 2.1 Workshops to gather information and evaluate diagnostics (6) 2.2 Workshops to prepare regional development materials (12) 2.3 Community management training workshops			

Narrative summary	Indicators	Means of verification	Assumptions
2.4 Community management consulting services (12) 2.5 Community manager training workshops (6)			
III. Improvement of access to market data 3.1 Specialized consulting services to design database software and information available on the Internet for local and international organizations. 3.2 Consulting services to analyze regional supply and demand for products from the regions 3.3 Consulting services to adapt products, packaging, and labels. 3.4 Participation at trade shows; national and international missions			
IV. Organic certification training and technical assistance for producers 4.1 Consulting services to provide technical assistance for converting to organic production and implementing internal control systems (ICS). 4.2 Hiring organic production certification agencies 4.3 Consulting services for local experimentation networks 4.4 Consulting services to evaluate ICS implementation 4.5 Local coordinators (6)			

Narrative summary	Indicators	Means of verification	Assumptions
V. Promotion and dissemination of results 5.1 Promotional material (videos, CD-ROM, web page, technical material, etc.) 5.2 Workshops to disseminate good practices 5.3 Dissemination of ethical trade			

Detailed Budget							
Program to Promote Commercial Opportunities among Rural Small Producers (TC-02-01-02-6)							
COMPONENTS	TOTALS/SOURCES						TOTAL
	IDB	SEBRAE	APEX	EMBRAPA	LSF	CIRAD	
Component 1: Awareness-raising and mob. to cultivate favorable envir.	48,560	148,400	0	0	0	0	196,960
							0
1.1. Seminar to kick off the project in the regions	17,360	0	0	0	0	0	17,360
							0
1.2. Organizing producers and planning	15,600	0	0	0	0	0	15,600
							0
1.3. Update and evaluation meetings	15,600	31,120	0	0	0	0	46,720
1.3.1 Meeting on organic production	15,600						15,600
1.3.2 Involvement in project monitoring and research		31,120					31,120
							0
1.4. Studies evaluating the PVRs and DIST methodologies	0	13,480	0	0	0	0	13,480
							0
1.5. Seminar on the findings of the PVRs and DIST studies	0	16,080	0	0	0	0	16,080
							0
1.6. Training workshop for technicians and leaders	0	16,800	0	0	0	0	16,800
							0
1.7. Coordinating with other institutions	0	50,400	0	0	0	0	50,400
							0
1.8. Supporting researchers' expenses	0	20,520	0	0	0	0	20,520
							0
Component 2: Community management of local know-how	0	98,320	0	0	0	0	98,320
							0
2.1. Compiling data and diagnostic assessment	0	14,960	0	0	0	0	14,960
							0
2.2. Preparing materials and training PVR and DIST leaders	0	28,800	0	0	0	0	28,800
							0
2.3. Training for implementation of DIST (GCCL and BSF)	0	16,080	0	0	0	0	16,080
							0
2.4. Supporting 2 researchers in each region	0	22,400	0	0	0	0	22,400
							0
2.5. Training the consultants-teachers	0	16,080	0	0	0	0	16,080
							0
Component 3: Improvement of access to market data	211,820	136,000	285,480	0	0	0	633,300
							0
3.1. Using the information system	76,000	0	0	0	0	0	76,000
							0
3.2. Analyzing market demand and supply in the regions	135,820	0	72,480	0	0	0	208,300
3.2.1 Hiring analysts	126,720		60,480				187,200
3.2.2 National transportation expenses	9,100						9,100
3.2.3 International transportation expenses			12,000				12,000
							0
3.3. Studies on adapting products	0	76,000	0	0	0	0	76,000
							0
3.4. Promoting businesses	0	60,000	213,000	0	0	0	273,000
							0
Component 4: Training and technical assistance	587,800	644,600	0	92,000	0	100,000	1,424,400
							0
4.1. Technical team for organic production and quality	346,000	0	0	0	0	0	346,000
1.1 Implementing an ICS	180,000						180,000
1.2 Converting to organic production	66,000						66,000
1.3 Adapting products and processes	100,000						100,000
							0
4.2. Commissioning organic product certifiers	150,000	0	0	0	0	0	150,000
							0
4.3. Local research and experimentation network		196,800	0	0	0	0	196,800
							0
4.4. Systematizing know-how with the communities-team	0	356,000	0	92,000	0	100,000	548,000
4.4.1 Forging identities		20,000					20,000
4.4.2 Implementing an ICS		84,000					84,000
4.4.3 Supporting systematization of the methodology		54,000					54,000
4.4.4 Implementing points 1 and 2		54,000					54,000
4.4.5 Methodological support		144,000					144,000
4.4.6 EMBRAPA researchers				92,000			92,000
4.4.7 CIRAD researchers						100,000	100,000
							0
							0
4.5. Local coordination	91,800	91,800	0	0	0	0	183,600
							0

COMPONENTS	TOTALS/SOURCES						TOTAL
	IDB	SEBRAE	APEX	EMBRAPA	LSF	CIRAD	
Component 5: Promotion and dissemination of results	42,000	64,800	117,000	0	0	0	223,800
							0
5.1. Producing promotional materials	42,000	0	84,000	0	0	0	126,000
- Folders, videos, CD-ROM, and web page	27,000						27,000
- Producing technical materials	15,000						15,000
- Promoting trade in the products and program brand			84,000				84,000
							0
5.2. Training on methodologies and tools for trade	0	16,800	0	0	0	0	16,800
							0
5.3. Supporting Brazilian ethical trade	0	0	33,000	0	0	0	33,000
							0
5.4. Preparing and disseminating the outcomes	0	48,000	0	0	0	0	48,000
							0
Component 6: Management and monitoring	117,200	42,000	0	0	56,400	0	215,600
							0
6.1. Project management personnel	98,000	42,000	0	0	0	0	140,000
							0
6.2. Expense materials	0	0	0	0	2,400	0	2,400
							0
6.3. Infrastructure	0	0	0	0	54,000	0	54,000
							0
6.4. Supervision and monitoring	19,200	0	0	0	0	0	19,200
							0
Component 7: Evaluations	50,000	30,000	0	60,000	0	0	140,000
							0
7.1. Social and environmental impact	20,000	0	0	60,000	0	0	80,000
							0
7.2. Midterm and final evaluation	30,000	30,000	0	0	0	0	60,000
							0
Component 8: Financial audits	9,000	0		0	0	0	9,000
							0
Component 9: Contingencies	58,620	0	0	0	0	0	58,620
							0
Total	1,125,000	1,164,120	402,480	152,000	56,400	100,000	3,000,000

Projects in Brazil
Program to Promote Commercial Opportunities among Rural Small Producers
TC-02-01-02-6-BR

A. Similar or related MIF projects

B. Similar or related Bank products

ATN/SF-6780-BR. Financing and nonreimbursable technical-cooperation funding to Cooperativa Valentense de Crédito Rural Ltda., approved on 29 November 1999 and signed on 17 January 2000; to date, US\$154,943 (77.4%) has been disbursed.

C. Projects related to the same sector or beneficiaries (2 projects)

Project number/approval date	Project name, sector, executing agency, and amount	Effective date [signature or ratification] and disbursement period in months	Percentage disbursed	Comments Satisfactory execution or problems with implementation, including delays, extensions, reformulation, change in executing agency, etc.
ATN-ME-8031-BR September 2002	Promotion of Socially Responsible Market Opportunities, World Vision Brazil; US\$975,000	27 December 2002; 54 months	10%	Project in the initial phases of execution.
ATN/ME-7626-BR October 2001	Support for the Development of New Agricultural Technology-Based Enterprises and Transfer of Technology; Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA); US\$1.6 million	22 January 2002; 54 months	12.4%	Project activities began 12 months ago.